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ON PAGE 1 (PART 2)

The Once and Future C America's Most Intere

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WASHINGTON—If the capital can be compared to a three-ring circus, if a great deal is going on all at once, it is also true that, sometimes, more can be learned by watching the sideshows than the center ring. The future of American intelligence activities under President Ronald Reagan is a case in point.

When a friendly Senate Select Committee on Intelligence held its hearing in January on the President's nomination of his former campaign manager, William J. Casey, to be director of Central Intelligence, the television lights bathed the ornate Senate caucus room in a white glare and the reporters and photographers almost outnumbered the spectators.

A much more modest turnout greeted Navy Vice Adm. Bobby Ray Inman, director of the super-secret National Security Agency, the nation's code-breaking arm, when he appeared quietly before the same committee on Feb. 3 as Reagan's choice for deputy director of the CIA. Unnoticed by most observers, Inman let an interesting cat out of the bag.

While being questioned by Sen. Daniel K. Inouye (D-Hawaii), Inman explained that Casey expected him as deputy to improve the quality of U.S. intelligence and the agency's estimative functions—its ability to predict future events. Inman added: "He (Casey) will concentrate to a substantial degree on the covert operations, clandestine collection sides of the business."

Those are the sides of the intelligence business, of course, that Casey learned during his World War II experience with the Office of Strategic Services (OSS). As chief of secret intelligence for OSS in Europe, Casey infiltrated agents, some by parachute, into Nazi Germany to report on targets for air attack.

That Casey would wish to concentrate on the CIA's covert operations and clandestine collection is thus not wholly surprising, but Inman's comment is nevertheless an intriguing straw in the wind. It suggests that, under the Reagan Administration, the CIA may well increase the scope and number of its covert operations.

Certainly the climate is right. Casey and Inman have taken over the helm of the CIA under a President who is firmly committed to a stronger military and intelligence establishment. For the first time in the nation's history, a former CIA director, George Bush, is vice president. And, with the Republicans in control of the Senate, the CIA now has a good friend, conservative Sen. Barry Goldwater (R-Ariz.), as chairman of the Senate committee overseeing the agency.

There is an important structural change as well. The CIA has succeeded in abolishing the Hughes-Ryan Amendment, which had required it to report on covert operations to eight committees of Congress. Under the new law, the CIA need only report to two congressional panels, the Intelligence committees of the Senate and the House. During the mid-1970s, Congress investigated and revealed widespread abuses by the CIA, the FBI and other intelligence agencies—drug testing, mail opening, cable reading, domestic spying, Cointelpro

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the two intelligence committees prior notice of "significant" covert operations—but allows him to explain later if he chooses not to comply. The law does require the President and the CIA to furnish "any information" on intelligence demanded by the committees, but it is a far cry from the massive "charter" legislation once envisioned.

William E. Colby, a former director of the CIA, says that covert activities—both political and paramilitary action—now account for only 3% or 4% of the CIA's budget, compared with 50% in the 1950s and 1960s. "I hope it will increase," he said, "because I think there are areas of the world where a little covert action can forestall much more serious problems later." Covert action, Colby maintains, can "avoid a situation of seeing a place descend into chaos or, alternatively, being tempted to send in the Marines."

Casey answered cautiously when the senators asked about covert operations at his confirmation hearing. Rigging elections, intervening in the internal affairs of another nation, he replied, "that kind of thing you only do in the highest interest of the country."

Just how far will the CIA be unleashed? "No one can predict whether the new oversight system is going to work," said Jerry J. Berman, legislative counsel to the American Civil Liberties Union, one of the groups that fought and lost the battle for charter legislation. "You have Goldwater who has said there are secrets he'd rather not know—he wishes he knew less. On the House side, the Intelligence Committee is more conservative and less balanced."

It is also clear that one of Goldwater's top priorities will be passage of a bill to protect the identities of intelligence agents. Such legislation failed to pass last year, but an identities bill was reintroduced on Feb. 3 by Sen. John H. Chafee, a moderate Republican from Rhode Island, and four bills have been introduced in the House.

Pressure for such legislation has mounted as a result of several factors: the exposure of the names of dozens of agents in the book by Philip Agee, a former CIA officer, and the assassination in 1975 of Richard Welch, the agency station chief in Athens, who had several months earlier been identified as a CIA man by the magazine CounterSpy. More recently, in July, 1980, gunmen attacked the Jamaica home of N. Richard Kinsman, who had two days earlier been named as the CIA station

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